

The FY 2007 On-Site Septic System Repair and Replacement Financial Assistance Pilot Program – At a Glance

Purpose	Provide low interest loans and grants to local governments in the Puget Sound region to establish new or expand existing on-site septic system repair and replacement local loan programs. Local loan and grant programs offer funding options to homeowners for septic system repair as outlined in the Puget Sound Initiative and 2005-07 Biennium Budget and 2006 Supplemental Budget.	
Project Goals	<ul style="list-style-type: none"> • Outreach to homeowners in the Puget Sound region, regarding the critical repair and replacement of failing on-site septic systems. • Establish and maintain low-interest loan and grant funding opportunities for OSS local loan programs. • Improve water quality and public health in the Puget Sound region. 	
Eligible Applicants	Recipients of SRF and Centennial funds must be a <i>public body</i> . Public bodies are distinguished as Washington state, county, city or town, conservation district, or other political subdivision, municipal corporation, quasi-municipal corporation, and those Indian tribes now or hereafter recognized as such by the federal government.	
Total Funds Available 2005-07 Biennium Budget 2006 Supplemental Budget	\$1,000,000	Funds available in SRF loans for the three Hood Canal counties: Mason, Kitsap, and Jefferson (2005-07 Biennium Budget).
	\$5,000,000	Appropriated for SRF loans directed towards the Puget Sound region, 12 counties and tribes (2006 Supplemental Budget).
	\$1,000,000	Available for Centennial grants to be used by local governments in conjunction with SRF loans, to establish or expand local loan programs, and to aide financially distressed homeowners (2006 Supplemental Budget).
	\$500,000	Centennial grant funds available, in conjunction with SRF loans, to aide local governments plan, implement, and administer local OSS assistance programs (2006 Supplemental Budget).
Financial Assistance	<ol style="list-style-type: none"> 1. Ecology is providing to eligible applicants, adjustable interest rates (2.6% to as low as 0%) on SRF loan amounts based upon a weighted average of assistance directed towards financially distressed homeowners. 2. Applicants are encouraged to apply for all funds needed for the local project: <ul style="list-style-type: none"> • Initial ceiling amounts are set at \$250,000 in SRF loan and \$50,000 Centennial grant. If there is a limited demand for funds, based upon applications received, grant and loan ceiling amounts will be increased. • At a minimum, a 50/50 loan-to-grant match is required. For example, a \$50,000 SRF loan must be taken in conjunction with the \$50,000 grant distribution. 3. An additional grant amount, up to 7% of total loan/grant combination will be awarded for OSS program administration costs, which include but are not limited to the following: <ul style="list-style-type: none"> • Program development and implementation; • Enhancement of current programs; • Program management and administration; and • Marketing, outreach, and advertising. 4. Public bodies have the flexibility to use an outside administrator of funds. SRF loan and Centennial grant agreements need to be between the Department of Ecology and the public body. If the public body opts to use an external administrator of funds, a contract or Memorandum of Understanding/ Agreement between the public body and the qualified private lending institution or private nonprofit is required. 	

Eligible OSS Activities	<p>1. Projects must meet the following criteria:</p> <ul style="list-style-type: none"> • Implement and manage critical on-site septic system repair and replacement local loan programs. • Offer funding opportunities to homeowners for the repair and replacement of their on-site septic systems. • Provide financial assistance to low-income or financially distressed homeowners for OSS repair and replacement.
Evaluation Criteria Used	<ul style="list-style-type: none"> • Water quality protection, restoration, and other positive impacts • Overall quality of project proposed and likelihood of success • Readiness to proceed • Ability of the proposed project to leverage completion of related OSS projects in the area
Share Findings	<p>Circulating information about projects is of utmost importance to the program. Examples include, but are not limited to, OSS newsletters, local forums, local WEB pages, Ecology WEB pages, and publications such as <i>Water Quality Stories</i>, EPA's <i>Water Talk</i> and PSAT's <i>Sound Waves</i>. Information and outreach will become required performance measures in the loan and grant agreements.</p>
Application and Evaluation Provisions	<p>1. Eligible applicants apply for loans and grants in accordance with the Program Guidelines. The application period is:</p> <ul style="list-style-type: none"> • August 23 OSS application and guidelines will be available on Ecology's Water Quality Program internet site at: http://www.ecy.wa.gov/programs/wq/funding/OSS.htm • September 29 Applications due to Ecology, evaluation period begins
Offer and Award Provisions	<ul style="list-style-type: none"> • The Offer and Applicant List and offer letters will be issued by approximately October 16, 2006 and will identify Ecology staff that will negotiate the agreements. • Original offer list applicants need to sign the loan and grant agreements by Friday, December 29, 2006. • Prior authorization to incur costs on or after the offer list date may be issued by the Water Quality Program Manager if project progress would otherwise be delayed.
Disbursement of Loan and Grant Funds	<p>Funds will be disbursed in accordance with required performance measures negotiated in the agreement on a cost-incurred basis.</p>
Progress Reports	<p>Date of progress report will be negotiated in the Loan/Grant agreement. Ecology will need to prepare reports on the overall efficacy and outcomes of the program as it progresses; reports may be standardized.</p>